

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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INDEMNITY INSURANCE COMPANY OF  
NORTH AMERICA A/S/O  
NORTHEASTERN EDUCATIONAL  
INTERMEDIATE UNIT 19

Plaintiff,

v.

AMERICAN WATER WORKS CO., INC.,

Defendant

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Civil Action No. \_\_\_\_\_

**COMPLAINT**

Plaintiff, Indemnity Insurance Company of North America, as subrogee of Northeastern Educational Intermediate Unit 19, by and through its attorney, Dennis J. Crawford, Esquire, by way of Complaint hereby avers as follows:

**JURISDICTION**

1. Jurisdiction in this case is based on diversity of citizenship of the parties and the amount in controversy. Plaintiff is an insurance company with headquarters located in the Commonwealth of Pennsylvania. Defendant is a corporation with headquarters located in the State of New Jersey. The amount in controversy exceeds the sum of Seventy Five Thousand Dollars (\$75,000.00), exclusive of interest and costs.

**THE PARTIES**

2. Plaintiff, Indemnity Insurance Company of North America ("ACE"), is an insurance carrier with a principal place of business in 436 Walnut Street, Philadelphia, PA, and is

the property insurer for the Northeastern Intermediate Unit 19 (“NEIU19”), located at 1200 Line Street, Archbald, PA 18403.

3. Defendant, American Water Works Company, Inc. (“AMERICAN WATER”), is a public utility company engaged in the generation, distribution and supply of water, with headquarters located at 1025 Laurel Oaks Road, Voorhees, NJ 08043.

#### **BACKGROUND**

4. On or about January 30, 2014, a water leak occurred at the NEIU19 building from the pipes of a defunct sprinkler system.

5. The aforementioned sprinkler system had been decommissioned approximately 18 years prior to the date of the leak.

6. The water supply to the decommissioned sprinkler system came from a fire hydrant located off the NEIU19 premises.

7. At the time the sprinkler system was decommissioned, the water supply from the subject fire hydrant had been shut off at the said hydrant.

8. At the time of the incident, employees, representatives, agents, and/or servants of defendant, American Water, were repairing the subject fire hydrant located off the NEIU19 premises.

9. Upon completion of the repair, all lines from the subject fire hydrant were opened.

10. As a result, water was allowed to flow unabated into the NEIU19 building through the defunct sprinkler system pipes.

11. Significant water damage to the building and business personal property was incurred as a result of this incident.

12. As a result of this incident, a claim was submitted by the NEIU19 to the plaintiff for the repairs, restoration and replacement of the damaged property.

13. The total damages are valued at no less than \$250,000.00, which has been settled between the plaintiff and NEIU19 according to the terms and conditions of their policy of insurance.

14. As a result of the payment to its insured, plaintiff seeks to recover the aforementioned damages, owing to defendant's negligence.

**COUNT I**  
**NEGLIGENCE**

15. Plaintiff repeats the allegations set forth above in paragraphs 1 to 14, as though set forth herein at length.

16. At all times relevant hereto, defendant, generated, supplied and distributed water throughout the area of the NEIU19 and to the subject building.

17. The lines emanating to/from the subject hydrant are within the sole control of the defendant.

18. The plaintiff alleges that the defendant negligently and carelessly re-opened the lines of the fire hydrant, in that they did not take the necessary steps and precautions required to ensure that all lines that had been shut off remained as such.

19. The defendant further failed to observe the necessary, reasonable diligence to inquire as to the reasons why certain lines were shut off and ensuring that they remained shut off.


20. As a direct and proximate result of defendant's negligence, the plaintiff incurred damages in the amount of no less than \$250,000.00 for the property damaged by this water leak.

WHEREFORE, plaintiff, Indemnity Insurance Company of North America, as subrogee of Northeastern Educational Intermediate Unit 19, demands judgment in its favor and against defendant, American Water Works Company, Inc. in the amount of \$250,000.00 together with the costs of this action, and any other relief this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Demand is hereby made for a trial by jury as to all issues.

CRAWFORD & McELHATTON

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